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COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON, D.C. 20540

B-114865

RELEASED

JAN 8 - 1976

090096

The Honorable Edmund L. Henshaw, Jr.
Clerk of the House
of Representatives



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Dear Mr. Henshaw:

We reviewed the activities of the Office Equipment Service of the House of Representatives for the fiscal year ended June 30, 1975, pursuant to the request dated June 9, 1975.

GENERAL COMMENTS

The act of December 5, 1969 (2 U.S.C. 112e), as amended, directs the Clerk of the House to furnish electrical and mechanical office equipment, in accordance with the limitations and regulations prescribed by the Committee on House Administration, to (1) the Resident Commissioner from Puerto Rico, (2) Delegates to the House of Representatives from the District of Columbia, Guam, and the Virgin Islands, and (3) Members, officers, and committees of the House of Representatives.

The Committee on House Administration has issued regulations

- requiring that the depreciated value of electrical and mechanical office equipment furnished and charged to the accounts of each Member, Delegate, and the Resident Commissioner not exceed \$5,500;
- authorizing an office equipment leasing allowance of \$650 a month to lease automatic typewriters, photocopying equipment, facsimile units, and signature machines (changed from \$350 a month effective July 1, 1974, and subsequently increased to \$750 effective October 1, 1975);
- directing the Clerk to lease the equipment for the use of officers of the House; and
- permitting a Member, Delegate, or the Resident Commissioner to use, after asking the Committee, up to \$250 per month of his unused clerk allowance to lease additional equipment.

BEST DOCUMENT AVAILABLE

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The Clerk's responsibilities for furnishing electrical and mechanical office equipment are carried out by the Office Equipment Service accounting, messenger, and typewriter repair service units.

The accounting unit consists of a chief, an assistant chief, and five clerks. It maintains accounting control over owned and leased equipment and is responsible for leasing, purchasing, and disposing of electrical and mechanical office equipment.

The messenger unit consists of a supervisor, a repairman, and three messenger-laborers. It is responsible for picking up, delivering, and transferring electrical and mechanical office equipment.

The typewriter repair service unit consists of a repairman-supervisor, a clerk, and nine repairmen. It is responsible for cleaning and repairing automatic, electric, and manual typewriters.

We reviewed the controls over owned and leased equipment, examined selected purchases and disposals of equipment, and tested the repair parts inventory.

OWNED OFFICE EQUIPMENT

The Office Equipment Service maintains a computerized system of accounts showing for each type of equipment (1) the inventory at the beginning of the year, the acquisitions and disposals during the year, and the inventory at the end of the year and (2) the units furnished to, and accountable by, each Member or officer. These accounts showed that as of June 30, 1975, the inventory of office equipment consisted of 10,557 items with an acquisition cost of about \$6.3 million and a net value of about \$2.9 million. (See schedule.)

On October 9, 1974, the Office Equipment Service was informed of a \$31.50 to \$45.00 price increase in I.B.M. typewriters effective February 1, 1975. The Office Equipment Service, without requests from the Members, ordered 250 typewriters and informed the Members of this action. (Members requested almost all the typewriters before they were received from I.B.M.) Savings amounted to about \$11,000.

The records provided adequate control over owned equipment. Our examination of selected purchase and disposal transactions showed that they were properly documented.

LEASED EQUIPMENT

OES maintains manual records of leased equipment consisting of (1) a control card for each item of leased equipment and (2) a Member's account card. The control card shows the Member's or officer's name, the lease order number, the lessor's name, a description of the leased item, the rental rate and period, and the rent paid.

The Member's account card shows the balance of the Member's or officer's leasing allowance, the items of equipment leased for the Member or officer, the rental rate, and the beginning and ending dates of the lease period.

In our opinion, the records provide adequate control over leased equipment.

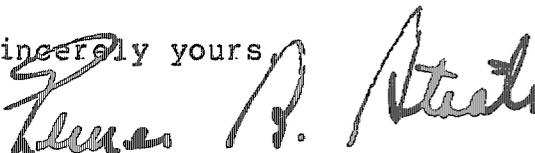
OFFICE EQUIPMENT SERVICE
OPERATING COSTS

The Office Equipment Service's operating costs for fiscal year 1975, excluding the cost of forms obtained from the Government Printing Office and of data processing services, utilities, office furniture, and building space, are as follows:

Administrative salaries and benefits	\$ 102,105
Operating salaries and benefits	219,729
Leasing costs	1,841,059
Depreciation of equipment	544,599
Undepreciated value of equipment transferred to the General Services Administration	82,997
Repair parts	21,936
Vendor repairs	63,597
Office supplies	<u>1,350</u>
 Total	 <u>\$2,877,372</u>

A copy of this report is being sent to the Chairman of the Committee on House Administration.

Sincerely yours,



Comptroller General
of the United States

HOUSE OF REPRESENTATIVES
OFFICE EQUIPMENT SERVICE

SUMMARY OF EQUIPMENT ACCOUNTS

JULY 1, 1974, TO JUNE 30, 1975

Type	Inventory July 1, 1974		Acquisitions		Disposals		Inventory June 30, 1975		Net value
	Units	Cost	Units	Cost	Units	Cost	Units	Cost	
Addressing equipment	468	\$ 306,720	7	\$ 3,408	86	\$ 36,535	389	\$ 273,593	\$ 131,152
Automatic typewriters	547	1,376,825	40	7,938	63	144,974	524	1,239,789	374,775
Typewriters	5,818	2,454,841	728	439,949	259	102,991	6,287	2,791,799	1,299,076
Dictating equipment	1,435	534,960	284	108,345	154	51,054	1,565	592,251	347,361
Duplicating equipment	920	541,195	59	61,849	93	52,363	886	550,681	292,135
Adding machines and calculators	407	146,611	94	22,776	10	3,370	491	166,017	77,393
Miscellaneous (note a)	366	675,842	61	50,369	12	7,873	415	718,338	366,053
Total	9,961	\$6,036,994	1,273	\$694,634	677	\$339,160	10,557	\$6,332,468	\$2,887,945

a/Includes automatic letter openers and sealers, automatic letter folders and inserters, typing machines, delivery trucks, computer equipment, and other miscellaneous equipment.

Note: This schedule does not include leased equipment in the custody of the Office Equipment Service.